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EXPLOSIVE ISSUES FACE UN IN INDONESIA

THE Dutch military campaign against the Indonesian Republic has focused world opinion on one of the major issues of our times: the struggle between colonial peoples determined to win independence and imperial governments bent on retaining control of the raw materials, cheap labor and other advantages that colonies can offer. This conflict, already well advanced by 1939, was greatly accelerated by the war, and the period since V-J Day has been marked by difficult, often violent readjustment in colonial Asia. The British, facing the realities of their own weakness and of eastern nationalism, have wisely come to terms with the political parties in India and Burma. By contrast, the French in Indo-China and Dutch in Indonesia (in each case with British assistance at the beginning) have been involved in military conflict during a good part of the past two years.

VALUE OF THE INDIES. No other colony in modern times has contributed so decisively to the international position and national standard of living of the owning country as has Indonesia in the case of the Netherlands. The islands are a cornucopia of raw materials and foodstuffs, such as rubber, tin, petroleum, cinchona (for quinine), spices, kapok, coconut products, sisal, tea, cane sugar, coffee and palm oil products. It is estimated that in 1937 the Dutch had approximately U.S. \$1,500,000,000 invested in Indonesia. At the beginning of the thirties Dutch profits were placed at \$160,000,000 annually, and a decade later—following the world depression—at U.S. \$127,000,000.

The Dutch, although differing among themselves on methods, are for the most part deeply concerned not to lose their valuable position in Indonesia. The Indonesians, although also differing on methods, have become more and more determined to rule

themselves. This attitude has undoubtedly been reinforced by the awareness of Indonesian leaders that the standard of living of their islands is very low, and by the disparity in numbers, resources and area between Indonesia with its 70,000,000 people and the Netherlands with its population of 9,000,000. On the other hand, a basis for cooperation has existed in the Indonesian need for outside capital and technical assistance and the Dutch need for a close economic relationship with the Indies.

NEW WAR IN INDONESIA. In November 1946 the two parties initialled a draft agreement at Linggadjati on Java. Under the terms the Netherlands recognized the *de facto* authority of the Indonesian Republic over the islands of Java, Sumatra and Madura (containing perhaps 57,000,000 out of the 70,000,000 people of Indonesia). A new federal state, the United States of Indonesia, was to be formed by the Republic, Borneo and the Great East; and there was also to be a Netherlands-Indonesia Union*. This agreement was signed in Batavia on March 25, 1946 in an atmosphere of hope, tempered on both sides by the realization that the pact was no more than an outline which would have to be filled in with settlements of concrete issues.

Among these issues were: reduction of the armed forces, return of the estates in Republican territory and compensation for losses, removal of the Dutch blockade of Republican ports and the Republican blockade of Dutch-held cities, and the establishment of other economic arrangements. Not least important was the meaning of the *de facto* sovereignty of the Republic. It became clear that the Dutch wished the Republic's sovereignty to be limited as much as possible to expression through the United

*For discussion of Linggadjati agreement, see *Foreign Policy Bulletin*, November 29, 1946.

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States of Indonesia in which, according to the Netherlands' view, the areas of Borneo and the Great East would each have an equal voice with the Republic. The Republic, however, viewed itself as a sovereign state both internationally and in its own territory and refused to be outvoted by lesser areas closely associated with the Dutch.

In May the Netherlands began large-scale troop movements to the Indies, and a Dutch note of May 27 told the Indonesians that unless they acted favorably on Dutch proposals within fourteen days negotiations would be broken off, and the Netherlands would have to consider "what will further happen." One of the May 27 demands was for the creation of a joint Dutch-Indonesian gendarmerie in Republican territory to protect the estates. While gradually yielding on many other points, under the scarcely veiled threat of Dutch military action, the Republic held firm in asserting that it would have to retain responsibility for policing its areas. The Dutch policy, however, has been to emphasize the importance of early resumption of estate production and Indonesian exports to other countries.

WILL UN ACT? The launching on July 21 of well-prepared operations with American lend-lease and surplus equipment has brought the Dutch quick victories at many points. It is as yet too early to say whether the Dutch objectives will in the main be achieved, or whether early successes will prove illusory as a result of guerrilla and scorched-earth tactics by the Indonesians. The latter are also engaged in widespread diplomatic activity, to win the support of Moslem countries (the Indo-

nesians are mostly Moslems) and eastern nationalists in general.

That politically conscious elements in Asia will attach great importance to the Indonesian conflict was suggested this week when India declared it would submit the dispute to the United Nations for action by the Security Council. But the action the UN takes will probably depend for the most part on the United States and Britain which so far have merely expressed regret at events in Indonesia and indicated their desire for a resumption of Dutch-Indonesian talks. This is in line with the British mediation effort last year, resulting in the Linggadjati agreement, and the United States note of June 28, urging the Indonesian Republic to cooperate at once in the establishment of an interim federal government for Indonesia and raising the possibility of economic assistance.

One fact to be noted is that a highly significant clause in Article XVII of the Linggadjati terms provides for arbitration of "any dispute which might arise from this agreement and which cannot be solved by joint consultation." The clause also specifies that "a chairman of another nationality with a deciding vote shall be appointed by agreement between the [Netherlands and Indonesian] delegations or, if such agreement cannot be reached, by the President of the International Court of Justice." Whatever the detailed rights and wrongs of the points at issue in Indonesia, it is to be hoped that the UN, will seek the implementation of this clause, which has been disregarded in the launching of the current campaign.

LAWRENCE K. ROSINGER

DO U.S. AND RUSSIA CORRECTLY ASSESS EACH OTHER'S POSITION?

The deepening of the East-West cleavage in Europe caused by the Soviet government's decision to reject the Marshall plan has troubled some people in the United States who had hitherto advocated a "firm" policy toward Russia on the assumption that firmness would cause Russia to retreat and at least temporarily suspend some of its activities abroad. This was the underlying assumption of an article on "The Sources of Soviet Conduct," signed X, in the July issue of *Foreign Affairs*, since reported to have been written by George F. Kennan, Foreign Service expert on Russia and recently appointed chairman of the Policy Planning Committee of the State Department. Can United States policy count on the prospect of Russia's retreat, or must other factors be taken into calculation?

HOW RUSSIA LOOKS TO U.S. As seen by the United States, Russia is without doubt the troublemaker and potential aggressor. If a composite picture could be briefly given of the views about Russia expressed in the American press, it would be something like this. Russia, it is pointed out, has been the chief

beneficiary of Allied victory. It has obtained a foothold either by outright territorial acquisition, or military occupation, or political and economic control, of a belt of countries from the Baltic to the Black Sea in Europe, and of strategic positions in the Far East—in northern Korea, at Port Arthur and Dairen, and in the Kurile Islands. It has sought to impose its political and economic practices on the Russian zones of Germany and Austria. It has collected undetermined amounts of reparations in kind from the Axis countries as well as from the Chinese province of Manchuria, and is attempting to harness the resources of neighboring countries in Europe, both ex-enemies and ex-allies, to the economy of the U.S.S.R. It has been adamant in resisting cooperation with the specialized agencies of the United Nations, except for the World Health Organization, and has balked the efforts of the United States to establish international control of atomic energy free from the use of the great power veto in the Security Council. In spite of the official dissolution of the Communist International in 1943, the Soviet government has continued

to sympathize with, and give active aid to, Communist parties in other countries, which continue to look to Moscow for guidance and assistance. It has rejected the Marshall plan not only on behalf of the U.S.S.R. but also on behalf of neighboring countries, asserting that this plan would encroach on their sovereignty while itself obviously encroaching on the sovereignty of the nations of Eastern Europe and the Balkans. In the pursuit of its objectives, moreover, it has resorted to methods which Americans regard as underhanded and dishonest. Judging by the *Foreign Affairs* article, the United States believes that the Soviet leaders maintain themselves solely by force, and that Russia is subject to internal strains which may conceivably bring about rapid disintegration from within.

HOW THE U.S. LOOKS TO RUSSIA. If a comparable composite picture could be presented of what the Russian leaders think of the United States, judging by official statements, comments of the Soviet press and radio, and Soviet actions abroad, it would be something like this. The Soviet government believes that the United States is the chief beneficiary of Allied victory. Not only has this country preserved its economy intact, as contrasted with the havoc wrought in Russia by the Germans, but it actually expanded its industrial and agricultural potential during the war. Moreover, the United States, for the first time in its history, is taking a direct part in the affairs of Europe, is in a position to determine the fate of Germany, Russia's antagonist on the continent in two world wars, and has established sole control over Japan, Russia's opponent in Asia since the end of the nineteenth century.

Given its own economic plight, the U.S.S.R. views with alarm Anglo-American efforts to restore the industry of Germany, which before 1939 far outmatched that of Russia and, in spite of wartime destruction, could readily forge ahead again, especially when provided with American funds and equipment. The U.S.S.R. does not share the belief of Britain and the United States that Nazism is dead, contending—in line with the report of the international Vansittart committee—that it is very much alive and will flourish again unless crushed by the Allies. The Soviet leaders are uneasy over American possession of

the atomic bomb and suspicious of the form of international control of atomic energy proposed by the United States. They believe that this country has determinedly used the United Nations organization to check Russia—notably in Iran and in the Balkans. At the same time, they are convinced that, in spite of its apparent strength, the American economy is threatened by another great depression which will bring about the end of free enterprise, and alienate the rest of the world from the United States.

A volume would be required to explore all the implications of the impression the United States and Russia have of each other in a period which, except for actual military measures, has all the hallmarks of a war period. The author of the *Foreign Affairs* article emphasizes his belief that the Soviet leaders, because of their addiction to Marxist dogma, have become prisoners of their preconceptions about the world. While Soviet thinking, in the absence of political discussion and opposition is far less flexible than thinking in democratic countries, is it true that the actions of the Kremlin abroad have been governed solely by Marxism—or have they been affected by Russian national traditions which would persist even if Stalin disappeared? And is it possible that some Western leaders may have become prisoners of their preconceptions about Russia? It still remains to be proved that the United States is on the verge of a major depression—and presumably one of the most urgent tasks of the American government in world affairs is to disprove this Soviet thesis. But it also remains to be proved that the Soviet government represents nothing in Russia except naked force—and presumably one of the most urgent tasks of the Soviet government is to disprove this American concept by opening up greater economic and social opportunities to the Russian people. What is at stake right now is the workability of two admittedly very different systems and philosophies of life. As the author of the much-discussed *Foreign Affairs* article states: "The issue of Soviet-American relations is in essence a test of the over-all worth of the United States as a nation among nations. . . . Surely there was never a fairer test of national quality than this."

• VERA MICHELES DEAN

PERON'S POLICY WATCHED ON EVE OF INTER-AMERICAN CONFERENCE

At long last the Foreign Ministers of the twenty-one American Republics have decided that the time has come to negotiate the treaty of mutual defense recommended by the 1945 Act of Chapultepec. They will meet in Brazil's fabulous Hotel Quintadonha near Petropolis on August 15, and there are many signs that this conference will be only the first of a number of hemisphere meetings to reinforce the inter-American political and economic structure.

The settlement of differences between Argentina and the United States cleared the way for convening the conference, which Brazil, the host-nation, had postponed at Washington's request. But Washington's scruples against sitting at the conference table with a government it considered Fascist in inspiration coincided, over the past two years, with its reluctance to move fast on a measure which, when first proposed, aroused considerable controversy here and

abroad. The Act of Chapultepec was viewed in many quarters as conducive to the formation of regional blocs, despite careful efforts at Mexico City and San Francisco to mesh the inter-American machinery into that of the UN. Since then, however, such contentions have been lost in the rush of events. The United States, no less than the Latin American governments, is anxious to conclude the military alliance which now appears eminently realistic.

PROBLEMS OF PROCEDURE. The Act of Chapultepec extended a wartime guarantee of the political independence and territorial integrity of the American states against a threat or an act of aggression—whether emanating from a non-American or an American state. The reference to threat from an American state constituted the novelty of the proposal. Article IV provided that “in case acts of aggression occur or there may be reasons to believe that an aggression is being prepared by any other state” the American Republics will consult together upon “measures it may be advisable to take” under their constitutional and emergency powers. Suggested measures ranged from recall of diplomats to economic sanctions and the use of armed force.

The Act of Chapultepec, however, did no more than sketch out the outlines of procedure under the permanent treaty recommended in Part II of the Act. According to a draft proposal submitted by the United States, an armed attack on any American country would place all the signatories under obligation: 1) to assist in meeting the attack; and 2) to consult with respect to the collective measures that should be taken. The United States is opposed to a single-power veto on collective action; it believes such measures should be determined by a two-thirds majority and that the decision should be binding only on those concurring in this majority. Despite their hitherto unbending allegiance to the principle of unanimity, a “surprising number” of Latin American governments, according to the Pan American Union, favor the two-thirds vote, with the decision binding on all the republics. The Argentine government, however, unofficially let it be known that its delegation will insist on the accepted method of unanimity.

TO TALK OF MANY THINGS. The conference at Quintadonha will be significant as much because Argentina will have a share in inter-American decisions, for the first time in five years, as because these decisions promise to be far-reaching. It is not forgotten that, when the Act of Chapultepec was

framed, many people believed it was intended to prevent possible Argentine expansion beyond its own borders. Now the question arises whether the American Republics will hold to their intention of including an American aggressor within the scope of collective action. What Argentina's views on the matters will be, and whether, in general, its delegation will be more cooperative than in previous inter-American sessions, are at present questions which cause much speculation in Latin American capitals. Argentina today is far more of a power on the international scene than during the pre-war years when its representatives took every opportunity of promoting Argentine interests in competition with those of the United States. At Quintadonha and in the months ahead, Argentina's alternatives will be to support the United States wholeheartedly in the military alliance backed by American arms and economic aid; or attempt to lead its friends and neighbors along the “middle course between world capitalism and world communism” forecast in Perón's much-publicized speech of July 6. This and other utterances on foreign policy by Argentine leaders do not rule out the possibility that the Buenos Aires government may try to straddle both courses at once.

The contradictions in Argentine policy are, in exaggerated form, illustrative of the dilemma faced by all the Latin American governments. They desire the security promised by affiliation with the United States in a defense pact implemented by modern arms. They do not wish, however, to become merely the tail of the United States comet, especially should this country become involved in war. Public opinion below the Rio Grande, while on the whole favorable to the Truman military cooperation plan,* entertains few illusions as to its possible repercussions on domestic politics or the so-called balance of power in South America. Moreover, Latin Americans are overwhelmingly of the belief that political and military defense are dangerously illusory unless accompanied by fruitful economic cooperation between the American countries. The terms of reference of the Quintadonha conference may not include discussion of concrete military measures (especially since the United States Congress failed to act on the Truman bill during the recently concluded session) or the economic basis of the proposed treaty. But both military and economic considerations will lie close to the surface of the deliberations.

OLIVE HOLMES

*Foreign Policy Bulletin of June 13, 1947.